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DEPARTMENT OF COMMERCE

International Trade Administration

[A-469-805]

Stainless Steel Bar From Spain: Initiation and Preliminary Results of Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is initiating a changed circumstances review of the antidumping duty order on stainless steel bar (SSB) from Spain with respect to Sidenor Aceros Especiales S.L. Based on the information on the record, we preliminarily determine that Sidenor Aceros Especiales S.L. is the successor-in-interest to Gerdau Aceros Especiales Europa for purposes of determining antidumping duty liability. We invite interested parties to comment on these preliminary results.

DATES: Effective (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.)

FOR FURTHER INFORMATION CONTACT: Michael A. Romani, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0198.

SUPPLEMENTARY INFORMATION:

Background

The Department published the antidumping duty order on SSB from Spain on March 2, 1995.¹ In its September 6, 2016, request for a changed circumstances review, Sidenor Aceros Especiales S.L. (Sidenor), informed the Department that, effective May 20, 2016, the following occurred: (1) Gerdau S.A., the Brazilian owner of Gerdau Holdings Europa S.A.U., including its Spanish subsidiary company Gerdau Aceros Especiales Europa, S.L. (Gerdau), sold its European holdings to Clerbil S.L.; and (2) Clerbil S.L. renamed Gerdau Holdings Europa S.A.U. to be Sidenor Holdings Europa S.A.U., and Gerdau Aceros Especiales Europa, S.L., to be Sidenor Aceros Especiales S.L. leaving its operations mostly unchanged.² Gerdau is a respondent in the ongoing administrative review of the antidumping duty order on SSB from Spain covering the period March 1, 2015, through February 29, 2016.³ Because this changed circumstances review was requested for an effective date after the POR of the ongoing administrative review, it does not have any bearing on that review.⁴ Citing section 751(b) of the Act, and 19 CFR 351.216 Sidenor, requested that the Department initiate a changed circumstances review and determine that Sidenor Aceros Especiales S.L., is the successor-in-interest to Gerdau. Sidenor also requested that the Department issue the initiation and preliminary results as a single notice, pursuant to 19 CFR 351.221(c)(ii).

¹ See *Amended Final Determination and Antidumping Duty Order: Stainless Steel Bar From Spain*, 60 FR 11656 (March 2, 1995).

² See Sidenor's Letter to the Secretary of Commerce, entitled, "Stainless Steel Bar from Spain: Sidenor request for changed-circumstances review," dated September 22, 2016, (Sidenor Request) at 3-6.

³ See *Initiation of Antidumping Duty and Countervailing Duty Administrative Reviews*, 81 FR 26203 (May 2, 2016).

⁴ *Id.*

Scope of the Order

The merchandise subject to the order is SSB. The term SSB with respect to the order means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons or other convex polygons. SSB includes cold-finished SSBs that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process. Except as specified above, the term does not include stainless steel semi-finished products, cut-length flat-rolled products (*i.e.*, cut-length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

The SSB subject to the order is currently classifiable under subheadings 7222.10.00, 7222.11.00, 7222.19.00, 7222.20.00, 7222.30.00 of the Harmonized Tariff Schedule of the United States (HTSUS).

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.⁵

⁵ The HTSUS numbers provided in the scope changed since the publication of the order. *See Amended Final Determination and Antidumping Duty Order: Stainless Steel Bar From Spain*, 60 FR 11656 (March 2, 1995).

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(d), the Department will conduct a changed circumstances review upon receipt of a request from an interested party or receipt of information concerning an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. Based on the request from Sidenor, and in accordance with section 751(b)(1) of Act and 19 CFR 351.216(b), we are initiating a changed circumstances review to determine whether Sidenor is the successor-in-interest to Gerdau. The Department's regulations at section 351.221(c)(3)(ii) instruct that, if we conclude that an expedited action is warranted, we may combine the notices of initiation and preliminary results of a changed circumstances review. In this instance, because we have the information necessary on the record to make a preliminary finding, we find that an expedited action is warranted and are combining the notices of initiation and preliminary results.

Preliminary Results of Expedited Changed Circumstances Review

In making a successor-in-interest determination, the Department examines several factors including, but not limited to, changes in management, production facilities, supplier relationships, and customer base.⁶ While no single factor or combination of these factors will necessarily provide a dispositive indication of a successor-in-interest relationship, the Department will generally consider the new company to be the successor to the previous company if the new company's operations are not materially dissimilar to those of its predecessor.⁷ Thus, if the evidence demonstrates that, with respect to the production and sales of the subject merchandise,

⁶ See, e.g., *Pressure Sensitive Plastic Tape from Italy: Preliminary Results of Antidumping Duty Changed Circumstances Review*, 75 FR 8925 (February 26, 2010), unchanged in *Pressure Sensitive Plastic Tape From Italy: Final Results of Antidumping Duty Changed Circumstances Review*, 75 FR 27706 (May 18, 2010); and *Brake Rotors From the People's Republic of China: Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 70 FR 69941 (November 18, 2005) (*Brake Rotors*), citing *Brass Sheet and Strip from Canada: Final Results of Antidumping Duty Administrative Review*, 57 FR 20460 (May 13, 1992).

⁷ See, e.g., *Brake Rotors*.

the new company operates as the same business entity as the former company, the Department will accord the new company the same antidumping treatment as its predecessor.⁸

In its review request,⁹ and its response to our supplemental questionnaire,¹⁰ Sidenor has provided evidence for us to determine preliminarily that it is the successor-in-interest to Gerdau. Sidenor states that its management, production facilities, and customer/supplier relationships have not changed as a result of the changes in ownership or name of the company.¹¹ Sidenor provided corporate structure documentation showing changes to the ownership and name of the company.¹² Furthermore, Sidenor provided internal documents evidencing that its domestic and overseas customers and suppliers remained the same after the changes, as they were prior to them.¹³ Sidenor provided internal documentation evidencing that its production facilities are the same before and after the changes in ownership and the name change.¹⁴ Sidenor also provided a list of members of the management team and supporting documentation indicating that Gerdau's managers hold the same positions in Sidenor that they did in Gerdau, with the exception of the replacement of the Human Resources Director.¹⁵

Based on record evidence, we preliminarily determine that Sidenor is the successor-in-interest to Gerdau for purposes of antidumping duty liability because the ownership and name

⁸ *Id.* See also e.g., *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From India*, 77 FR 64953 (October 24, 2012), unchanged in *Final Results of Antidumping Duty Changed Circumstances Review: Certain Frozen Warmwater Shrimp From India*, 77 FR 73619 (December 11, 2012).

⁹ See Sidenor Request.

¹⁰ See Sidenor's Letter to the Secretary of Commerce, entitled, "Stainless Steel Bar from Spain, CCR (Sidenor): Sidenor response to supplemental questions," dated October 7, 2016 (SQR).

¹¹ *Id.*

¹² See Sidenor Request at Exhibit 1 (the two structures are identical except for the parent), Exhibit 2 (public deed registered in the Central Mercantile Registry reflecting name change), Exhibit 3 (registration of the name change), Exhibits 4-5 (taxpayer identification certificates before and after), and Exhibit 6 (SEC form 6-K filing at note 3 and 4).

¹³ See SQR at 3-5, and Exhibit 2 (customers), and at 2-3, and Exhibit 1 (supplier).

¹⁴ See Sidenor Request at 4, and Exhibit 9 (list of production assets).

¹⁵ *Id.*, at 4 and Exhibit 7 (organization charts before, unchanged with one exception after). The administration of the company changed from a Board of Directors to a Sole Administrator. See Sidenor Request at Exhibit 2.

changes of the company resulted in no significant changes to management, production facilities, supplier relationships, and customers. As a result, we preliminarily determine that Sidenor operates as the same business entity as Gerdau. Thus, we preliminarily determine that Sidenor should receive the same antidumping duty cash deposit rate with respect to the subject merchandise as Gerdau, its predecessor company.

Because cash deposits are only estimates of the amount of antidumping duties that will be due, changes in cash deposit rates are not made retroactive and, therefore, no change will be made to Sidenor's cash deposit rate as a result of these preliminary results. If Sidenor believes that the deposits paid exceed the actual amount of dumping, it is entitled to request an administrative review during the anniversary month of the publication of the order of those entries, *i.e.*, March, to determine the proper assessment rate and receive a refund of any excess deposits.¹⁶ As a result, if these preliminary results are adopted in our final results of this changed circumstances review, we will instruct CBP to suspend shipments of subject merchandise made by Sidenor, at Gerdau's cash deposit rate, effective on the publication date of our final results.

Public Comment

Interested parties may submit case briefs no later than 14 days after the publication of this notice.¹⁷ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than five days after the deadline for filing case briefs.¹⁸ Parties who submit case briefs or rebuttal briefs in this changed circumstance review are requested to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. Interested parties who wish to comment on the preliminary results must file briefs electronically

¹⁶ See *Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From the United Kingdom: Final Results of Changed-Circumstances Antidumping and Countervailing Duty Administrative Reviews*, 64 FR 66880 (November 30, 1999).

¹⁷ See 19 CFR 351.309(c)(ii).

¹⁸ See 19 CFR 351.309(d).

using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS) and is available to registered users at <http://access.trade.gov>. An electronically-filed document must be received successfully in its entirety by the ACCESS no later than 5:00 p.m. Eastern Time on the date the document is due. Interested parties that wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS, within 14 days of publication of this notice.¹⁹ Parties will be notified of the time and date of any hearing, if requested.²⁰

Notifications to Interested Parties

Consistent with 19 CFR 351.216(e), we intend to issue the final results of this changed circumstances review no later than 270 days after the date on which this review was initiated, or within 45 days after the publication of the preliminary results if all parties in this review agree to our preliminary results. The final results will include the Department's analysis of issues raised in any written comments.

This notice of initiation and preliminary results is in accordance with section 751(b)(1) of the Act, 19 CFR 351.216(b) and (d), and 19 CFR 351.221(b)(1).

Dated: October 18, 2016

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

¹⁹ See 19 CFR 351.310(c). See also 19 CFR 351.303 for general filing requirements.

²⁰ See 19 CFR 351.310.

